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April 21, 2008

In the Matter of:)
Approval of the Exemption)
Of Personal Property Where Cost of Billing)
Is Greater than Taxes Due)

NOTICE OF DECISION

Appearances

Terry Rubald, Chief, Division of Assessment Standards, and Bruce Bartolowits, Supervisor, Locally Assessed Property Section, appeared on behalf of the Department of Taxation.

Summary

The matter of the approval of the level of exemption of personal property based on the amount of taxes due for personal property compared to the cost of collecting those taxes as provided for in NRS 361.068(2), came before the Nevada Tax Commission (Commission) for hearing in Carson City, Nevada, on April 7, 2008 after due notice to each Assessor. The Commission reviewed the 2007-2008 Billing Cost Survey and the report of the Department.

DECISION

The Commission, having considered all evidence and testimony pertaining to the matter, hereby adopts the results of the 2007-2008 Billing Cost survey as reported by the Department. Pursuant to NRS 361.068(2), the taxes due for personal property which are \$16.00 or less are exempt from collection because the average cost of collecting property taxes exceeds that amount.

BY THE NEVADA TAX COMMISSION THIS 21st DAY OF APRIL, 2008.

Dino DiCianno, Executive Director

cc: County Assessors
Gina Session, Chief Deputy Attorney General

NEVADA TAX COMMISSION

April 7, 2008

TOPIC: Determination of the amount of personal property to be exempted; that amount that is less than the cost of collecting the taxes.

AUTHORITY: Nevada Revised Statute 361.068 (2), allows the Nevada Tax Commission to exempt from taxation that personal property for which the annual taxes would be less than the cost of collecting those taxes. If such an exemption is provided, the Nevada Tax Commission shall annually determine the average cost of collecting property taxes in this state. This average cost must be used in determining the applicability of the exemption.

EXPLANATION: The Division of Assessment Standards of the Department of Taxation conducted a survey of county assessors and treasurers to determine the cost of collecting property taxes in this state during the 2007-2008 fiscal year. The results of the survey are as follows:

- The cost for an individual tax bill for all of the counties ranges from \$4.27 to \$28.93.
- The mean total cost of an individual tax bill is \$17.08, down from the prior year of \$17.36.
- The weighted average total cost of an individual tax bill is \$12.48, down from the prior year of \$12.66.
- The median total cost of an individual tax bill is \$15.74, down from the prior year of \$17.19.
- Array:

=< \$12.48 (5):	\$12.48> < \$19.99 (5):	=> \$20.00 (7):
Carson City \$11.24	Esmeralda \$14.91	Douglas \$27.19
Churchill \$10.97	Humboldt \$14.13	Eureka \$24.35
Clark \$ 6.78	Lincoln \$13.44	Lyon \$22.81
Elko \$ 6.55	Mineral \$19.55	Nye \$21.30
Lander \$ 4.27	White Pine \$15.74	Pershing \$21.37
		Storey \$28.93
		Washoe \$26.79

RECOMMENDATION:

Based on the survey and the resulting mean and median costs, the Department recommends that personal property bills of \$16.00 or less continue to be exempted from taxation by authority of NRS 361.068 (2). This amount will eliminate most personal property billings that are not cost effective. By statute, the billing cost is reviewed annually and adjustments made as needed.

NEVADA DEPARTMENT OF TAXATION
COLLECTION COSTS FOR PERSONAL PROPERTY TAX BILLS 2007-08
Statewide Summary of Billing Costs & Average Cost Per Account

County	Postage	Mailers	Printing	Collection	Utilities	Manpower	Total Cost	Total No Accounts	Avg Cost/ Account
CARSON CITY	\$ 1,301	\$ 665	\$ 150	\$ 17	\$ 500	\$ 67,142	\$ 69,775	6,210	\$ 11.24
CHURCHILL	1,092	2,500	100	17,000	500	22,500	43,692	3,983	10.97
CLARK	51,250	21,899	15,916	-	13,699	657,096	759,860	112,000	6.78
DOUGLAS	2,311	1,328	160	9,000	300	91,800	104,899	3,858	27.19
ELKO	3,705	-	1,420	-	3,000	40,800	48,925	7,471	6.55
ESMERALDA	470	261	165	37	25	9,193	10,151	681	14.91
EUREKA	144	189	14	-	267	5,889	6,503	267	24.35
HUMBOLDT	513	751	250	1,251	1,877	13,037	17,678	1,251	14.13
LANDER	126	307	50	320	1,398	2,862	5,063	1,186	4.27
LINCOLN	621	75	300	240	100	4,550	5,886	438	13.44
LYON	3,553	1,117	687	-	-	118,800	124,157	5,442	22.81
MINERAL	272	222	63	-	450	13,714	14,721	753	19.55
NYE	2,878	194	-	252	975	200,403	204,702	9,611	21.30
PERSHING	954	166	10	-	10	34,135	35,275	1,651	21.37
STOREY	255	80	-	-	-	18,730	19,065	659	28.93
WASHOE	11,300	3,900	2,500	15,000	10,000	831,500	874,200	32,630	26.79
WHITE PINE	242	59	60	151	366	11,461	12,339	784	15.74
STATEWIDE TOTALS	\$ 80,986	\$ 33,713	\$ 21,845	\$ 43,268	\$ 33,467	\$ 2,143,612	\$ 2,356,891	188,875	
MEAN WEIGHTED AVERAGE	\$ 4,764	\$ 1,983	\$ 1,285	\$ 2,545	\$ 1,969	\$ 126,095	\$ 138,641	11,110	\$ 17.08
MEDIAN	\$ 954	\$ 261	\$ 150	\$ 37	\$ 450	\$ 22,500	\$ 35,275	1,651	\$ 15.74

*Clark County reports Costs as basic categories

**Printing, Collection & Utility Cost statistical indicators skewed by non-reporting counties

NEVADA DEPARTMENT OF TAXATION
 COLLECTION COSTS FOR AN INDIVIDUAL TAX BILL 2007-08
 Statewide Summary of Cost Per Account

County	Postage	Mailers	Printing	Collection	Utilities	Manpower	Total Cost/ Account
CARSON CITY	\$ 0.21	\$ 0.11	\$ 0.02	\$ -	\$ 0.08	\$ 10.81	\$ 11.23
CHURCHILL	0.27	0.63	0.03	4.27	0.13	5.65	10.98
CLARK	0.46	0.20	0.14	-	0.12	5.87	6.79
DOUGLAS	0.60	0.34	0.04	2.33	0.08	23.79	27.18
ELKO	0.50	-	0.19	-	0.40	5.46	6.55
ESMERALDA	0.69	0.38	0.24	0.05	0.04	13.50	14.90
EUREKA	0.54	0.71	0.05	-	1.00	22.06	24.36
HUMBOLDT	0.41	0.60	0.20	1.00	1.50	10.42	14.13
LANDER	0.11	0.26	0.04	0.27	1.18	2.41	4.27
LINCOLN	1.42	0.17	0.68	0.55	0.23	10.39	13.44
LYON	0.65	0.21	0.13	-	-	21.83	22.82
MINERAL	0.36	0.30	0.08	-	0.60	18.21	19.55
NYE	0.30	0.02	-	0.03	0.10	20.85	21.30
PERSHING	0.58	0.10	0.01	-	0.01	20.68	21.38
STOREY	0.39	0.12	-	-	-	28.42	28.93
WASHOE	0.35	0.12	0.08	0.46	0.31	25.48	26.80
WHITE PINE	0.31	0.08	0.08	0.19	0.47	14.62	15.75
STATEWIDE MEAN	\$ 0.48	\$ 0.26	\$ 0.12	\$ 0.54	\$ 0.37	\$ 15.32	\$ 17.08
WEIGHTED AVERAGE	\$ 0.43	\$ 0.18	\$ 0.12	\$ 0.23	\$ 0.18	\$ 11.35	\$ 12.48
MEDIAN	\$ 0.41	\$ 0.20	\$ 0.08	\$ 0.03	\$ 0.13	\$ 14.62	\$ 15.75

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NEVADA DEPARTMENT OF TAXATION
PERSONAL PROPERTY COLLECTION COSTS 2007-08
Material & Labor Cost Per Account

County	Materials	% Materials	Manpower	% Manpower	Total Cost/Account	Total %
CARSON CITY	\$ 0.42	3.7%	\$ 10.81	96.3%	\$ 11.23	100.0%
CHURCHILL	5.33	48.5%	5.65	51.5%	10.98	100.0%
CLARK	0.92	13.5%	5.87	86.5%	6.79	100.0%
DOUGLAS	3.39	12.5%	23.79	87.5%	27.18	100.0%
ELKO	1.09	16.6%	5.46	83.4%	6.55	100.0%
ESMERALDA	1.40	9.4%	13.50	90.6%	14.90	100.0%
EUREKA	2.30	9.4%	22.06	90.6%	24.36	100.0%
HUMBOLDT	3.71	26.3%	10.42	73.7%	14.13	100.0%
LANDER	1.86	43.6%	2.41	56.4%	4.27	100.0%
LINCOLN	3.05	22.7%	10.39	77.3%	13.44	100.0%
LYON	0.99	4.3%	21.83	95.7%	22.82	100.0%
MINERAL	1.34	6.9%	18.21	93.1%	19.55	100.0%
NYE	0.45	2.1%	20.85	97.9%	21.30	100.0%
PERSHING	0.70	3.3%	20.68	96.7%	21.38	100.0%
STOREY	0.51	1.8%	28.42	98.2%	28.93	100.0%
WASHOE	1.32	4.9%	25.48	95.1%	26.80	100.0%
WHITE PINE	\$ 1.13	7.2%	14.62	92.8%	15.75	100.0%
STATEWIDE MEAN	\$ 1.76	13.9%	\$ 15.32	86.1%	\$ 17.08	100.0%
WEIGHTED AVERAGE	\$ 1.13	9.0%	\$ 11.35	91.0%	\$ 12.48	100.0%
MEDIAN	\$ 1.32	9.40%	\$ 14.62	90.6%	\$ 15.75	100.0%

NEVADA DEPARTMENT OF TAXATION
COLLECTION COSTS OF PERSONAL PROPERTY TAX BILLS
Effect of \$17.00 Exemption Limitation for 2006-07 Fiscal Tax Year

County	Total Billing Cost	Number of Accounts	Avg Cost /Account	Number of Bills	Average Cost/Bill	Total Amount Exempted	PP Bills <\$19.00	Average Exemption /Bill
CARSON CITY	\$ 69,775	6,210	\$ 11.24	6,210	\$ 11.24	\$ 10,742.00	1,523	\$ 7.05
CHURCHILL	43,692	3,983	10.97	3,983	10.97	9,097.00	1,056	8.61
CLARK	759,860	112,000	6.78	89,811	8.46	114,677.00	9,982	11.49
DOUGLAS	104,899	3,858	27.19	3,858	27.19	6,869.46	1,016	6.76
ELKO	48,925	7,471	6.55	7,300	6.70	12,240.00	800	15.30
ESMERALDA	10,151	681	14.91	681	14.91	2,710.27	270	10.04
EUREKA	6,503	267	24.35	374	17.39	934.83	107	8.74
HUMBOLDT	17,678	1,251	14.13	2,002	8.83	8,145.00	751	10.85
LANDER	5,063	1,186	4.27	1,148	4.41	2,909.80	293	9.93
LINCOLN	5,886	438	13.44	438	13.44	1,311.90	138	9.51
LYON	124,157	5,442	22.81	5,981	20.76	16,732.00	1,977	8.46
MINERAL	14,721	753	19.55	588	25.04	3,233.28	306	10.57
NYE	204,702	9,611	21.30	7,619	26.87	21,417.36	2,076	10.32
PERSHING	35,275	1,651	21.37	1,705	20.69	400.75	54	7.42
STOREY	19,065	659	28.93	659	28.93	1,350.00	204	6.62
WASHOE	874,200	32,630	26.79	26,300	33.24	43,175.00	4,856	8.89
WHITE PINE	12,339	784	15.74	780	15.82	1,682.23	190	8.85
STATEWIDE TOTALS	\$ 2,356,891	188,875		159,437		\$ 257,628	25,599	
MEAN	\$ 138,641	11,110	\$ 17.08	9,379	\$ 17.35	\$ 15,155	1,506	\$ 9.38
WEIGHTED AVERAGE			\$ 12.48		\$ 14.78			\$ 10.06
MEDIAN	\$ 35,275	1,651	\$ 15.74	2,002	\$ 15.82	\$ 6,869	751	\$ 8.89

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